GOVERNMENT OF INDIA
DISINVESTMENT
LOK SABHA

UNSTARRED QUESTION NO:3418
ANSWERED ON:11.12.2001
DISINVESTMENT OF PSUS IN KERALA
P. RAJENDRAN

Will the Minister of DISINVESTMENT be pleased to state:

the total number of Government/P.S.Us earmarked for disinvestment in Kerala with details showing reasons for disinvestment of each such PSU?

Answer

MINISTER OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI ARUN JAITLEY)

The Disinvestment Commission has recommended for strategic sale in Kerala-based Fertilizers and Chemicals Travancore Ltd. (FACT).However, Government has not taken any decision on the recommendations of the Commission. There are two other public sector undertakings, i.e., Instrumentation Ltd., Kota (Rajasthan) and Hindustan Organic Chemicals Ltd. (HOCL), Rasayan (Maharashtra) which are earmarked for disinvestment and have a unit in Palghat (Kerala) and Cochin (Kerala) respectively.Kerala-based Kovalam Ashok Beach Resort, which is a unit of India Toursim Development Corporation (ITDC) is also slated for disinvestment.

Instrumentation Ltd., Kota is a sick PSU registered with BIFRGovernment in October 1998 approved the rehabilitation scheme, which inter alia provided for restructuring of Instrumentation Ltd., Kota by converting the units in Kota, Jaipur and Palghat into subsidiaries and formation of Joint Venture in them. In line with the above decision of the Government, Expressions of Interest (EOI) were invited for all the three units at Jaipur, Kota and Palghat for disinvestment of 51% of the equity shares. EOIs for Palghat unit have been received. The process of disinvestment through strategic sale in the case of Instrumentation Control Valves Ltd., Palghat has been taken up. Government has also decided to disinvest 32.61% of equity of HOCL in favour of a strategic buyer.The disinvestment process in this regard has started. The advertisement for inviting Expression of Interest in respect of Kovalam Ashok Beach Resort is yet to be issued.

Disinvestment in these public sector undertakings is being done as per the declared policy of the Government that the Government will in generality of cases, bring down its equity to 26% or below in all non-strategic public sector undertakings. FACT, Instrumentation Ltd, HOCL and ITDC are non-strategic PSUs.